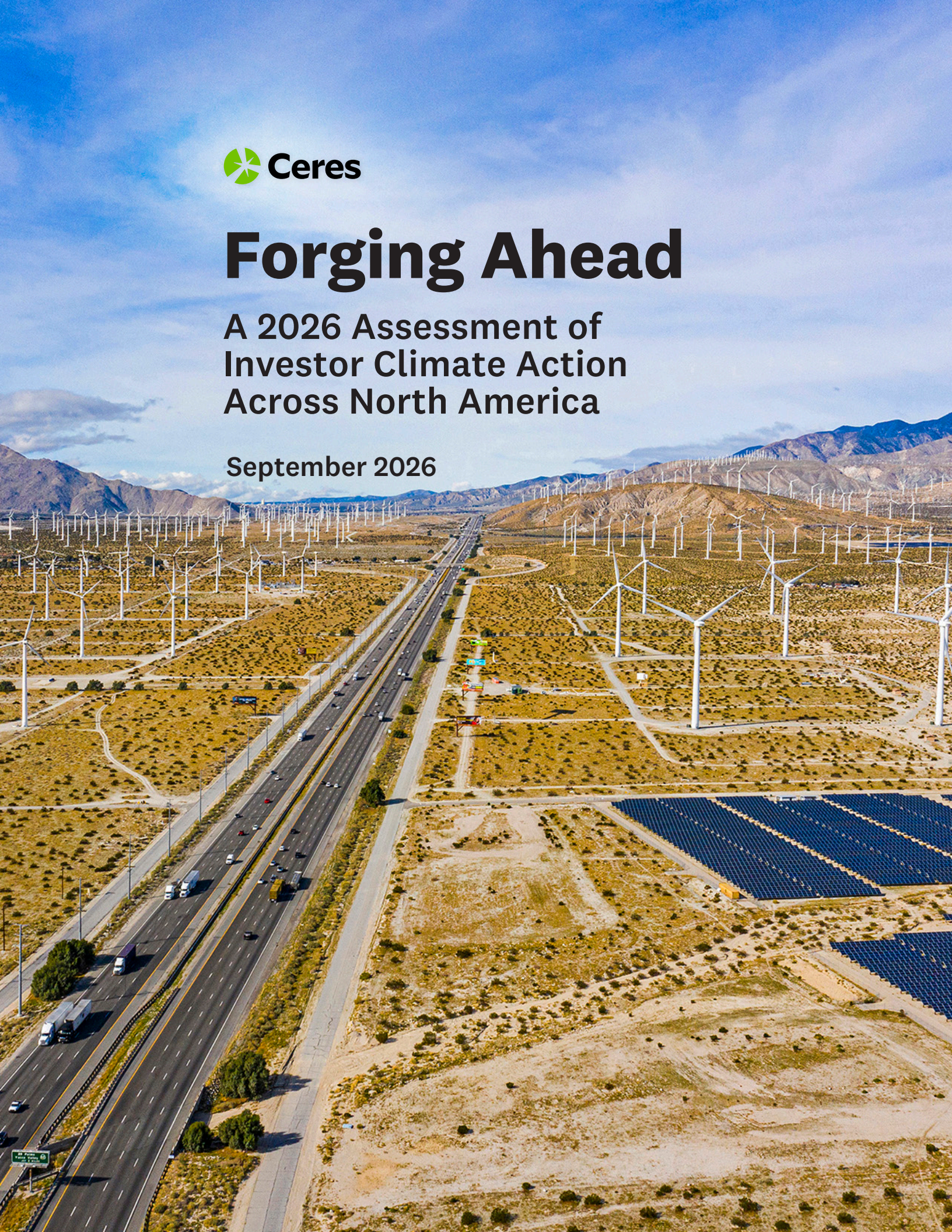


Ceres

Forging Ahead

A 2026 Assessment of Investor Climate Action Across North America

September 2026

Executive Summary

The political and regulatory environment surrounding investor climate action has shifted dramatically across North America in the past few years, particularly in the U.S. Legislative pressures, legal challenges, and the rollback of regulatory disclosure requirements have prompted investors to become more selective in their public communications about their climate action.

While some may perceive this new context to indicate a pause in investors' climate action, the data tells a different story.

Our assessment of 50 of the largest North American investors reveals that investors are forging ahead, moving to capture the opportunities of the 21st century clean economy, even as they work to manage financial risks that a changing climate poses to their portfolios.

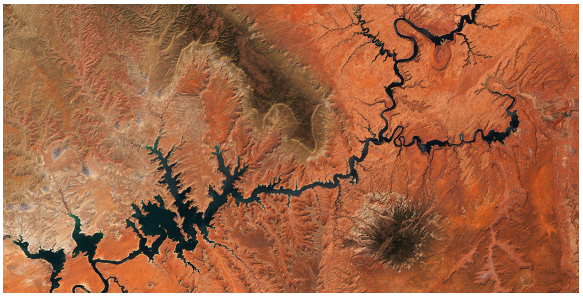
The clearest measure of climate action is how capital is being allocated, governed, and managed. The findings show that climate action is becoming more financially disciplined, integrated into core investment practices, and strategically tied to portfolio resilience and fiduciary outcomes.

Of the North American investors we assessed on their 2025 public disclosures:

- **74% assess the risks that climate change poses for their portfolios**
- **74% allocate capital towards climate solutions**
- **74% assign formal governance responsibility for climate oversight**
- **72% engage portfolio companies on climate-related issues**
- **48% have a strategy to engage governments on climate policies**

Investors are asking how their portfolios are preparing for a world in which energy system transformation, supply chain disruption, adaptation needs, nature and biodiversity loss, and water pollution and scarcity are increasingly shaping investment performance.

Our analysis spotlights four major actions investors are taking:



Focusing on Disciplined Risk Management Practices

Allocating Capital to Climate Solutions as a Market Opportunity

Sharpening Engagement Strategy for Real-Economy Emissions Reduction

Considering Nature and Water Impacts as Rising Strategic Priorities

These findings are intended to support investors as they refine their strategies, benchmark their approach against peers, and understand what is accelerating or hindering the investment community from leveraging the opportunities of the clean economy and managing financial risks to their portfolios from a changing climate and extreme weather, nature loss, and water scarcity.

Policymakers, regulators, and civil society organizations can also use these insights to track the pace and direction of North American investor climate action, identify barriers, and pinpoint where stakeholder action or policy could unlock further progress.

This report assesses 50 of the largest North American investors based on their 2025 public disclosures, including sustainability reports, annual reports, Task Force on Climate-related Financial Disclosures (TCFD) reports, stewardship and proxy voting reports, and investor press releases or columns. The investors were assessed by applying more than 60 indicators of action mapped to the Investor Climate Action Plans (ICAPs) Expectations Ladder spanning five key areas: investment, corporate engagement, policy advocacy, disclosure, and governance. The quantitative data gathered through the disclosure review were supplemented by confidential investor interviews to capture additional context on the factors hindering or accelerating action across each of these areas.

Focusing on Disciplined Risk Management Practices

Our findings highlight that many investors are shifting focus from headline commitments towards implementation, centering strategies solidly around investment risk management and opportunity capture. Wildfires, flooding, chronic heat stress, market shifts, and technological disruption have cemented material climate-related financial risks as central to both value creation and risk mitigation.

- **Nearly three-quarters of investors assess climate-related portfolio risks, and 64% use climate scenario analysis to identify their exposure to risks under different conditions and time periods.**

Most investors have also embedded oversight of these risks into their governance structures. Incorporating this into the investment governance architecture – such as board governance, investment committees, and fiduciary processes – underscores how integral managing these material financial risks in portfolios is.

- **74% of investors assign formal oversight responsibilities for climate strategy, with governance most commonly residing at the board level.**

Investors noted that, in addition to having board oversight, client or beneficiary demand is an equally powerful driver of action. Asset owners wield significant influence in supporting action by their asset managers. Asset managers with global client bases, especially clients in the U.K., Europe, and Asia, have prioritized maintaining consistency with responsible investment practices across jurisdictions, even amid a challenging policy context in the U.S. Because asset owners increasingly expect climate-related financial risks to be considered alongside any other business risks, asset managers are under growing pressure to integrate these considerations into their strategies, investment decisions, and long-term planning.

To demonstrate that these risks are being treated as fiduciary and strategic issues, there is a growing focus on the development of climate transition plans, which are an aspect of an entity's overall strategy that lays out the entity's targets, actions or resources for its transition towards a lower-carbon economy, including reducing its greenhouse gas emissions.[1]

- **32% of the investors assessed disclose standalone climate transition plans**.

These plans lay out how investors will manage risks across portfolios, engage portfolio companies, advocate for public policies, strengthen disclosure practices, and oversee implementation at the board level. Developing and publishing transition plans can also help align internal decision-making, signal accountability to beneficiaries and regulators, and communicate clear expectations to portfolio companies. This focus on transition plans is occurring in an increasingly fragmented regulatory landscape, characterized by uncertainty in the U.S. and expanding climate-related requirements in other major jurisdictions.[2]

Explore how peers are managing risks and developing transition plans:

- Visit the Ceres Transition Plan resource page
- Join the Ceres Investor Network Investor Practices Working Group

Case Study

La Caisse's Ambitious Strategy to Invest CAD $400 Billion in Climate Action by 2030

La Caisse, the second largest pension fund in Canada, has been addressing climate change opportunities and risk for many years. In 2017, the asset owner recognized that climate change was driving a fundamental transition toward a low-carbon economy and markets were already beginning to propose solutions generating profitable returns. La Caisse moved proactively to embed climate considerations directly into its investment process, treating it with the same rigor and discipline applied to traditional financial risk.

The organization achieved nearly a 50% reduction in its carbon footprint by the end of 2024. To keep advancing toward its goal of having a carbon-neutral portfolio by 2050, La Caisse introduced a 2025-2030 strategy for accelerating the decarbonization of companies and the economy, with an aim to have CAD 400 billion in climate action by 2030.

This ambition rests on two main pillars. The first focuses on investing in climate solutions, including low-carbon assets such as renewables or electric vehicles, nature-based solutions that capture or reduce carbon through natural ecosystems, adaptation and resilience solutions that help communities better withstand the physical impacts of climate change, and climate solution enablers that support the scaling of the broader clean economy. La Caisse tends to favor climate solutions that are economically viable today rather than subsidy-dependent or based on unproven technologies.

The second pillar centers on investing in companies that integrate climate into their core business model. Rather than simply divesting from high-emitting sectors, La Caisse takes an engaged approach, supporting businesses across all industries in reducing their carbon footprints, adopting emission reduction targets, and making measurable progress toward those goals.

As of the end of 2025, La Caisse's climate action investments totaled CAD 226 billion. La Caisse's new strategy positions the portfolio to optimize returns by considering material climate risks, and creating value by encouraging key portfolio companies to improve their climate posture, including reducing their emissions.

Allocating to Climate Solutions as a Market Opportunity

Energy security, volatility of fossil fuel prices, and rising global electricity demand are unlocking new investment opportunities across many industries and sectors, including renewable energy, energy storage, regenerative agriculture, clean steel, and green cement.

- **Among the top 50 North American investors assessed, 74% are allocating capital towards climate solutions.**

Investors are motivated not only by the need to mitigate risk but also by the potential to capture significant market opportunities that are commercially viable and capable of generating institutional-grade returns.

- **Still, despite growing recognition of these investment opportunities, only 22% of investors disclosed explicit, measurable targets for increasing climate solutions investments.**

The capital flows required to avoid the worst impacts of climate change illustrate a lack of capital that is publicly committed to meet the financing needs for the transition. While capital can move without set targets, targets are an important marker of how investors are aligning internally and building processes to deliver on concrete milestones related to climate financing.

There are structural constraints that investors face in scaling these investments. While many investors report that there is no shortage of attractive investment opportunities, challenges remain in integrating these opportunities into institutional portfolios at scale. Existing investment mandates, strategic asset allocation frameworks, and governance processes were largely developed around traditional asset classes and historical patterns of risk and return. Investment opportunities often cut across multiple sectors, technologies, and asset classes, making them difficult to categorize within existing portfolio structures. As a result, while these investment opportunities may offer attractive long-term risk-adjusted returns, they are difficult to identify, evaluate, and allocate within existing investment processes, limiting the pace at which capital can be deployed.

Nascent market infrastructure is also a constraint. In many cases, investors must navigate fragmented market information, evolving definitions, and inconsistent data and reporting frameworks. Scaling investment will require improved transparency and investment frameworks that enable investors to evaluate opportunities more consistently across portfolios.

Additional hurdles identified through investor interviews include internal capacity limitations, such as limited numbers of dedicated specialists, overstretched investment teams, insufficient technical expertise, and a lack of sector-specific diligence capabilities.

Benchmark-relative risk also remains a practical constraint. Many institutional portfolios are evaluated against traditional benchmarks that are sector weighted and built from backward-looking data. These

benchmarks aren't designed to fully capture where the economy is heading as the climate transition unfolds. This can make climate solutions allocations appear as a deviation from benchmarks' returns rather than a source of long-term value creation and portfolio resilience. For investors to accelerate and scale up these allocations, benchmarks need to better reflect the forces that will drive future returns, such as technology adoption, consumer preferences, or adaptation to climate impacts.

Investors are considering a mix of investment types including: 1) pure play investments in solutions providers such as renewable energy generators, EV manufacturers, battery storage companies, and others whose revenue is predominantly derived from low-carbon products; 2) investments in high-emitting companies that have credible transition plans for making operations less polluting and energy efficient 3) adaptation investments that reduce harm to operations, assets, and infrastructure from impacts such as hurricanes, wildfires, drought, and sea level rise.

Asset classes that are in scope for these investments include public equity, corporate debt, private debt, private equity, real assets, and infrastructure. While public markets remain an important source of exposure to clean economy opportunities, many investors are expanding their focus toward private equity, private debt, infrastructure, and real assets, where they can provide new financing more directly and support the development of energy systems, reduction of emissions from industrial sectors, growth of resilient infrastructures, and other related opportunities. This reflects a broader shift from a primary focus on lowering portfolio emissions toward allocating capital to opportunities that can drive real-economy outcomes.

Beyond Mitigation: Investing in Adaptation

Adaptation investing is also coming into focus. Historically, climate investing focused overwhelmingly on opportunities related to mitigating risks by reducing emissions through investments in clean energy, batteries and storage, electric vehicles, and energy efficiency. That is changing rapidly. Among investors allocating capital toward climate solutions, 24% explicitly disclosed investments related to adaptation, which includes investments in infrastructure hardening, water security, and resilient agriculture.

The impacts of physical risks are being felt now, and extreme weather events are increasing in frequency, severity, and costliness. Institutional investors increasingly recognize that entire sectors will require large-scale infrastructure modernization and resilience investments. For long-term institutional investors, adaptation increasingly represents both a defensive necessity and a significant capital deployment opportunity.

While investor attention is growing, the structural barriers to scaling adaptation investments remain significant. These include the absence of historical underwriting data for climate-driven hazards, the highly localized nature of adaptation assets which sits in tension with the minimum scale requirements of most institutional mandates, and limited internal technical expertise in evaluating water security, grid resilience, and coastal infrastructure assets. Closing this gap requires governments to establish supportive policies and deployment of concessional or public finance to cover upfront costs of early-stage project preparation. Platform-based investment models that pool smaller, fragmented projects into diversified funds can help meet institutional investors' risk/return requirements, unlocking financing for opportunities too small or localized to attract capital on their own.

Scale of the Growth Market Opportunity

Climate solutions investing is increasingly extending beyond developed markets. While a limited number of investors disclose allocations to growth markets (emerging and developing economies), interviews suggest growing interest among investors assessing climate-related investment opportunities in these markets.

Opportunities are expanding across renewable energy, electricity grids, battery manufacturing, industrial decarbonization, critical minerals, sustainable agriculture, and climate-resilient infrastructure. Many of these opportunities are no longer niche or experimental but are increasingly reaching the scale required by institutional investors. Growth markets already account for roughly two-thirds of global economic growth, underscoring the extent to which the future of the transition is being shaped outside North America and Europe. For many investors, the question is shifting from whether to invest in growth markets to how to access these opportunities in a manner consistent with institutional risk-return and governance requirements.

Many institutional portfolios already have significant exposure to growth markets because of global supply chains, commodity markets, manufacturing networks, and multinational companies. As a result, growth markets increasingly represent both a source of diversification and return opportunity, as well as a material factor influencing long-term portfolio resilience.

As growth market strategies mature, investors are reassessing long-held assumptions around the risks of investing in such markets. While concerns around cost of capital, currency risk, lack of credible pipelines, and regulatory uncertainty remain, investors increasingly recognize that many of these risks can be mitigated through appropriate investment structures, local partnerships, diversification, and risk-sharing mechanisms. Platform-based investment models, which pool smaller, fragmented projects into diversified funds, offer a robust pathway for matching institutional capital with the financing needs of individual projects. By backing these operating platforms rather than individual deals, investors can deploy capital efficiently across hundreds of projects at once, benefit from standardized governance and reduced transaction friction, and access catalytic capital deployed at the platform level to de-risk their overall exposure.

Explore how peers are investing in opportunities:

- Join the Ceres Investor Network Investor Practices Working Group
- Read Investing in Resilience: Three Case Studies in Climate Adaptation
- Read Bridging Institutional Capital and Community Climate Investments

Case Study

CalPERS' $100 Billion Climate Solutions Goal

In November 2023, CalPERS announced a goal to increase its investments in climate solutions from $47 billion to $100 billion by the end of 2030. By June 30, 2025, CalPERS had already invested approximately $60 billion.

A climate-conscious investment strategy makes financial sense for CalPERS, which as the largest public defined benefit pension fund in the United States manages approximately $600 billion in global assets on behalf of nearly 2.4 million members. Climate risk is financially material, and the clean energy transition is generating compelling return opportunities. CalPERS' climate change strategy incorporates engaging policy makers, public companies, and its external partners to mitigate and assess climate risk, and it helps the pension fund identify and pursue climate solution investments that generate strong performance.

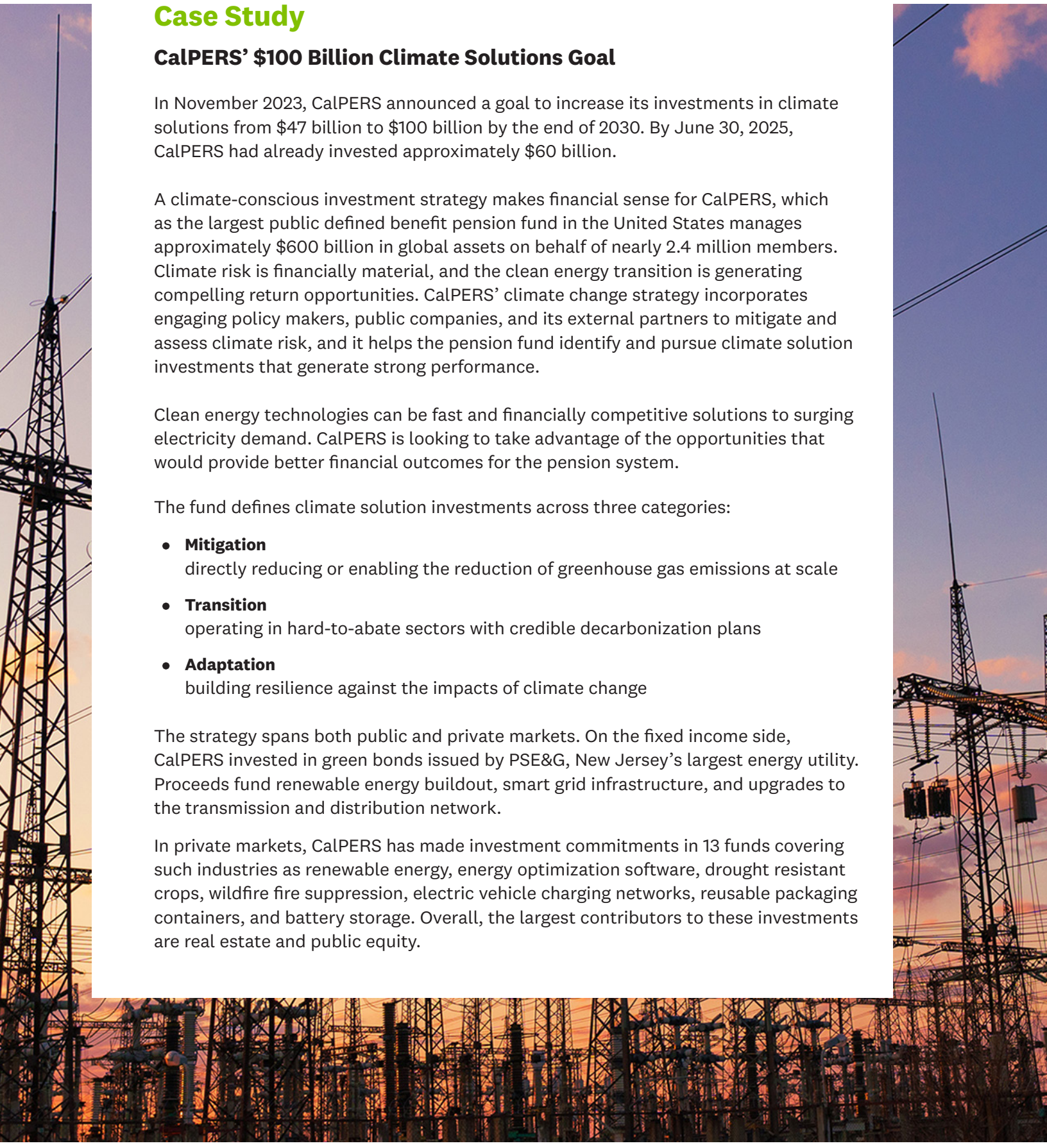
Clean energy technologies can be fast and financially competitive solutions to surging electricity demand. CalPERS is looking to take advantage of the opportunities that would provide better financial outcomes for the pension system.

The fund defines climate solution investments across three categories:

- **Mitigation**
  directly reducing or enabling the reduction of greenhouse gas emissions at scale
- **Transition**
  operating in hard-to-abate sectors with credible decarbonization plans
- **Adaptation**
  building resilience against the impacts of climate change

The strategy spans both public and private markets. On the fixed income side, CalPERS invested in green bonds issued by PSE&G, New Jersey's largest energy utility. Proceeds fund renewable energy buildout, smart grid infrastructure, and upgrades to the transmission and distribution network.

In private markets, CalPERS has made investment commitments in 13 funds covering such industries as renewable energy, energy optimization software, drought resistant crops, wildfire fire suppression, electric vehicle charging networks, reusable packaging containers, and battery storage. Overall, the largest contributors to these investments are real estate and public equity.



Sharpening Engagement Strategy for Real-Economy Emissions Reduction

While the focus on investment opportunities is growing, corporate engagement continues to be a critical strategy for investors seeking to drive the global emissions reductions needed to limit the risks of climate change. Diversified investors cannot avoid these systemic risks since they remain exposed through broad market holdings, supply chains, infrastructure systems, and macroeconomic impacts.

- **72% of investors engage portfolio companies on climate issues through direct dialogues, investor led engagement initiatives, filing shareholder resolutions, and/or proxy voting.**

While engagement has effectively encouraged companies to raise their level of climate ambition, many companies have not yet publicly disclosed transition plans or realigned operating expenditures or capital expenditures to achieve their goals. As a result, the focus of engagement has matured considerably. Transition planning and implementation strategy is now one of the top engagement priorities, along with emissions reduction targets, disclosures, and risk management practices.

- **In fact, 67% of those investors that engage on climate explicitly engage on company transition plans.**

Investors pursue engagement through two distinct channels: direct engagement with portfolio companies on business strategy and advocacy with governments and regulators to facilitate an enabling policy environment.

Despite a challenging policy context in the U.S., many North American investors view policy engagement as a critical tool for addressing portfolio risk and unlocking investment opportunities. Investors recognize that the effectiveness of corporate engagement depends largely on the overarching policy environment, and that they are uniquely credible voices in real-economy policy discussions. Unlike individual companies, which advocate for their own interests, diversified investors hold stakes across industries and sectors, giving them the incentive to speak to the health of the broader economy.

But while investors underscored the importance of favorable policy in helping them achieve their goals, they have also expressed the challenges of engaging on climate and energy issues. These include limited in-house expertise and capability, concern about political retaliation, and divergent client or beneficiary views that make it difficult to have a firm-wide position on policy engagement. Some investors also question whether advocacy falls within their core role. Even with these challenges, the assessment found that:

- **Nearly half (48%) of investors report having a strategy for climate policy engagement with governments.**
- **44% have already undertaken such policy engagement efforts.**

Where investors do engage, advocacy takes several forms, including direct dialogue with governments, regulators, and policymakers to communicate investor perspectives on climate-related regulation and market frameworks. Investors also participate in regulatory consultations, engage with industry standard setters, and endorse collective investor statements. In many cases, trade associations serve as key intermediaries through which investors advocate for specific policy outcomes, disclosure frameworks, or industry standards. Investors also have an opportunity to encourage their portfolio companies to participate in policy advocacy alongside them.

Advocacy priorities have also evolved. Investors are moving beyond emissions disclosure requirements and taxonomies to engage on policies that resolve structural constraints to financing clean economy solutions, including permitting reforms for renewable energy projects. A few are now looking at broader economy-wide policies, such as carbon pricing, tax incentives, and public investment in infrastructure. At the same time, many investors have been drawn into defensive policy action over the past two years, pushing back against efforts to restrict their ability to consider climate-related financial risks and other material risks in decision-making, as well as restrictions to their shareholder rights.

Explore how peers are moving on company and policy stewardship:

- Join Climate Action 100+
- Join the Ceres Investment Stewardship Working Group
- Join the Ceres Investor Network Policy Working Group
- Learn about Freedom to Invest and its work defending the rights of investors

Case Study

Washington State Investment Board (WSIB)'s focus on engagement to create value for the fund

The WSIB manages retirement security for Washington's public workers, a mandate that demands long-term thinking. For the WSIB, the ever-increasing impacts of climate change have created a wide range of investment risks. In 2022, the WSIB developed its Climate Blueprint, a strategic framework launched in 2022 that identified climate-focused engagement and advocacy as two of the key pillars in long-term value creation.

The WSIB's climate-related asset stewardship strategy is focused on areas where it can have the greatest impact: engaging with companies that are most critical to the energy transition on improved climate risk disclosure and accountability at the board level. In recent years, the WSIB strengthened its proxy voting policy to hold certain directors accountable for failing to take sufficient action to address climate change and the energy transition.

The WSIB amplifies its voice by participating in major investor-led coalitions such as Climate Action 100+, CDP, Invest Ahead, and the Investor Coalition for Equal Votes.

What distinguishes the WSIB's approach is that the agency's oversight isn't focused exclusively on portfolio companies. It extends to the investment managers themselves. Every current and prospective manager is required to share their proxy voting policies and provide full records of delegated proxy votes. This closes a potential blind spot: some asset owners engage publicly on climate matters while quietly delegating votes to investment managers with no such commitment.

The WSIB also recognizes the important role that both mandatory and voluntary climate disclosure frameworks play in enabling investors to effectively consider material climate risks and opportunities in their investment decision-making process. As part of its Climate Blueprint efforts, the WSIB actively advocates for policy and regulatory change alongside peer pension funds, industry coalitions, and investment managers. The organization has submitted formal comment letters to the SEC supporting mandatory disclosure of financially material climate-related information, making the case that consistent, comparable data across companies benefits long-term investors.

Considering Nature and Water Impacts as Rising Strategic Priorities

Our findings underscore a growing recognition among investors that climate-related financial risks cannot be managed in isolation. Nature loss, water scarcity and pollution, and climate change are deeply interconnected, creating compounding risks with material implications for economies and financial systems.

- **52% of investors disclosed evidence of considering nature and/or water-related risks and opportunities in their investment and stewardship practices**.

Investors are integrating nature and water considerations primarily through corporate engagement and investing in related opportunities.

- **36% of investors with engagement strategies incorporate nature and/or water issues into their approach**

Investors engage companies to disclose nature-related risks, dependencies, and impacts at the operational level and throughout the value chain, including water usage and pollution, deforestation, and biodiversity loss. Investors also look for science-based targets and company-wide implementation plans to evaluate risk management and mitigation efforts.

On water specifically, the rapid expansion of AI infrastructure and data centers is intensifying investor focus on water security, driven by the significant volumes of water these facilities require to operate, including water embedded in energy production necessary to power the facilities. Looking ahead, this trend is likely to accelerate as data centers' water use continues to scale alongside AI growth.

Investors are also beginning to identify nature and water as part of new investment opportunities. Investors interviewed also noted that in the future, strategies on climate change may include integrating climate, nature, and water into more comprehensive investment frameworks. Investors recognize that a narrow focus can miss risks that are financially material and can even produce perverse outcomes. In practice, that can look like materiality assessments that map interdependencies or stewardship strategies where companies are asked about water, land, labor, and emissions in a single dialogue rather than fragmented asks.

- **24% of investors with climate solutions investments disclose that they allocate capital toward nature-related opportunities, with many looking at these investments through the lens of carbon sequestration.**

- **27% of investors with climate solutions investments disclosed investments in water-related opportunities, such as investments in technologies to improve water efficiency that help detect leaks and optimize water usage, or in water management infrastructure, including treatment, storage, desalination and distribution.**

Explore how peers are integrating nature and water in the investment cycle:

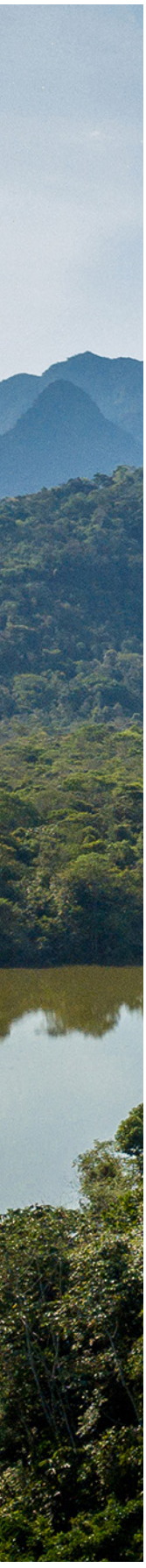
- Join Nature Action 100
- Join the Ceres Food and Nature Working Group
- Join the Ceres Valuing Water Finance Initiative
- Join the Ceres Water and High Tech Working Group
- Read Drained by Data: The Cumulative Impact of Data Centers on Regional Water Stress
- Read Nature's Price Tag: The Economic Cost of Nature
- Read Working Across Landscapes: An Investor Guide to Managing Nature Risk at Scale
- Read Water Behind the Watts: The Hidden Risk of Powering Data Centers

Just Transition as a Strategic Consideration

Just transition encompasses workforce transition, community resilience, and place-based planning to mitigate the human impacts of moving to a low-carbon economy. The assessment found that **12% of investors explicitly disclosed considering just transition in their investment practices**, demonstrating that the human impacts of transition remain under recognized within investor strategies.

This gap is notable, given the growing body of investor guidance that points to just transition considerations as integral to managing risks and preserving long-term value. Social backlash against poorly managed climate measures can trigger policy reversals, macroeconomic instability, and market-wide erosion of returns. For companies, unmanaged human impacts can lead to operational and legal risks such as litigation, strikes, operational delays and reputational damage, all of which affect cash flows and cost of capital. On the other hand, integrating just transition considerations can also unlock long-term value by creating stronger talent pipelines through reskilling and redeployment, and by building durable community support for clean energy investment.

In practice, investors have largely treated just transition as an engagement topic, asking companies in high-emitting sectors how they are supporting workers through closures and restructuring, rather than embedding it into investment strategies or policy advocacy positions.



Case Study

Manulife Investment Management's Integrated Approach to Climate, Nature and People[3]

Sustainable investing is a source of enduring value creation consistent with fiduciary obligations for Manulife Investment Management ('Manulife IM'), and acts as a lens applied to all stages of the investment process across all asset classes for the firm. Manulife IM seeks to understand all material factors that may impact the risk and return profile of current and potential investments. Consistent analysis of sustainability factors leads the firm to a more comprehensive understanding of risks and opportunities with the aim of the asset manager to deliver attractive risk-adjusted returns to clients over the long term. Sustainable investment activities are founded in the firm's statements on Climate, Nature and People.

Manulife IM takes a multipronged approach to assessing and managing sustainability risks and opportunities across client portfolios:

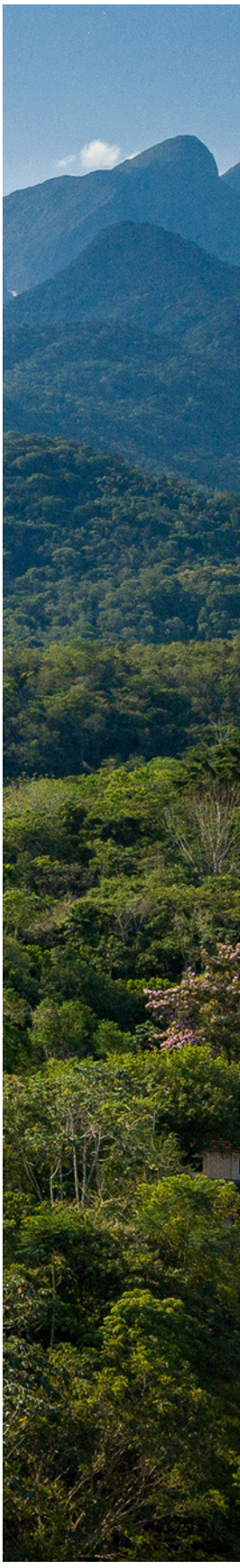
- **Investment research and due diligence**
  Manulife IM assesses sustainability-related risks and opportunities that may be financially material at the due diligence stage across asset classes.

- **Active ownership and stewardship**
  The firm integrates financially material sustainability considerations into issuer engagement, proxy voting, and real asset stewardship.

- **Collaboration and commitment**
  Manulife IM works with other investors, standard setters, and policymakers to advance the adoption of leading practices in natural capital and biodiversity reporting and management with the aim of improving risk management, transparency, and investment decision-making practices.

- **Capital allocation**
  Manulife IM offers natural capital investment strategies in timberland and agriculture for clients whose investment objectives combine competitive returns and positive environmental & social impact.

Water is a key link between the themes of nature, climate, and people. Manulife IM's Water Statement articulates their view that water-related risks and opportunities can be financially material factors to consider and should be integrated into investment processes and operational asset management, where appropriate. When water is materially relevant to an investment, Manulife IM views it through a lens of value protection and value creation. Value protection involves identifying water risk that could harm the underlying asset's value over time or affect income and returns. Value creation entails identifying opportunities for capturing future asset value appreciation, maximizing operating margins through water, or contributing to resource stewardship. This framework is applied across investment decisions, due diligence, risk assessment, and stewardship activities. This ensures that water risk is managed proactively rather than reactively, supporting the aim of delivering attractive risk-adjusted returns to clients over the long term.



About Ceres

Ceres is a nonprofit advocacy organization working to accelerate the transition to a cleaner, more just, and resilient economy. With data-driven research and expert analysis, we inspire investors and companies to act on the world's sustainability challenges and advocate for market and policy solutions. Together, our efforts transform industries, unlock new business opportunities, and foster innovation and job growth – proving that sustainability is the bottom line. For more information, visit ceres.org.

Acknowledgments

Lead Author
Kaede Kawauchi, Director, Investor Network, Ceres

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Appendix

Methodology

This report assesses 50 of the largest North American investors: 25 asset owners and 25 asset managers. It draws on their 2025 public disclosures, including sustainability reports, annual reports, Task Force on Climate-related Financial Disclosures (TCFD) reports, stewardship and proxy voting reports, and investor press releases or columns. If the 2025 disclosures explicitly referenced an earlier publication, that prior report was also included in our analysis. The largest 50 North American investors were identified using the Thinking Ahead Institute's list of the world's largest asset managers and asset owners.

The investors were assessed by applying more than 60 indicators of action mapped to the Investor Climate Action Plans (ICAPs) Expectations Ladder spanning five key areas: investment, corporate engagement, policy advocacy, disclosure, and governance. The quantitative data gathered through the disclosure review were supplemented by confidential investor interviews to capture additional context on the factors hindering or accelerating climate action across each of these areas.

For investors that operate through a parent-subsidiary structure, this analysis relied primarily on disclosures made at the parent company level. We recognize that this approach carries inherent limitations. Subsidiaries under the same parent can exhibit different levels of climate action, and parent-level reporting may either overstate or understate actual climate action depending on how thoroughly subsidiary activities are aggregated and disclosed. However, to avoid the risk of cherry-picking a particularly strong subsidiary, we assessed the minimum standards and policies enforced across the enterprise as a whole, alongside any aggregated metrics reported through parent-level disclosures. Exceptions to this parent-level approach were made in select cases where subsidiary-level disclosures provided material information not otherwise captured.

The percentages used in this report are percentages based on the number of investors that meet the climate action indicator out of the total 50 investors, rather than being weighted by assets under management (AUM).

50 North American Investors Assessed

25 Asset Owners

Alberta Investment Management Corporation

Aon Corporation

Boeing

British Columbia Investment (BCI)

California Public Employees' Retirement System (CalPERS)

California State Teachers' Retirement System

Canada Pension Plan Investment Board

CAPTRUST Financial Advisors

Federal Retirement Thrift Investment Board

La Caisse

Mercer

New York City Public Pension Funds

New York State Common Retirement Fund

New York State Teachers' Retirement System

North Carolina Retirement Systems

Ontario Teachers' Pension Plan

Public Sector Pension Investment Board--PSP

State Board of Administration of Florida

State of Michigan Retirement System

State of Wisconsin Investment Board

Teacher Retirement System of Texas

University of California Investments

Virginia Retirement System

Washington State Investment Board

Willis Towers Watson (WTW)

25 Asset Managers

AllianceBernstein

BlackRock

Blackstone

BNY Investments

Brookfield Asset Management

Capital Group

Charles Schwab Investment Management

Federated Hermes

Fidelity Investments

Franklin Templeton

Geode Capital Management

Goldman Sachs Asset Management

Invesco

J.P. Morgan Asset Management

Manulife Investment Management

Morgan Stanley Investment Management

Northern Trust Asset Management

Nuveen

Power Financial Corporation

Prudential Financial

State Street Investment Management

Sun Life Financial

T. Rowe Price Group

Vanguard

Wellington Management

Report Footnotes (page 4)

1. IFRS S2 definition

2. The International Transition Plan Network (ITPN) Map shows that 40+ jurisdictions are adopting IFRS S2 which includes a requirement on disclosing information on climate-related transition plans if a company has one, and many jurisdictions (e.g. Japan, EU, Singapore) are creating additional mandatory transition plan requirements for certain institutions. https://itpn.global/interactive/

Manulife Footnote (page 15)

3. While Manulife Investment Management includes sustainability-related factors in all aspects of the investment management processes, they work diligently with their various clients to help ensure that any such sustainability considerations meet clients' stated goals or objectives. Manulife Investment Management maintains independence in conducting investment stewardship activities including prioritization of issuer engagements, voting proxies, and investment decision-making at all times. For more information on Manulife Investment Management, please visit https://www.manulifeim.com/institutional/us/en.